

OCA FILE

13 April 1988
OCA 88-1150

MEMORANDUM FOR: C/L&PLD/OGC
EO/OL

FROM: [REDACTED], Legislation Division
Office of Congressional Affairs

SUBJECT: Small Business Federal Contracting Restoration
Act of 1987, S. 1559

1. Attached for your review and comment is a copy of the above-captioned bill. It aims to alleviate concerns of the small business community with respect to amendments to the Small Business Act which were contained in the FY87 Department of Defense authorization act.

2. Specifically, the bill deletes the requirement that set-aside programs be established in "industry categories" and reestablishes the rule that the program be based on a fair proportion of government contracts based on total awards within the Federal procurement data system. A floor of \$25,000 is set for the goal-setting program, which was eliminated by the current law. The bill also repeals the provision requiring the disclosure of applicants for procurement set-asides.

3. Hearings are now being held on this bill. If you determine that there are Agency-specific concerns which should be addressed, please telephone me on [REDACTED] at your earliest convenience.

Attachment

OCA/LEG [REDACTED] (13 April 1988)

Distribution:

Original - Addressees

1 - [REDACTED]

1 - OCA Registry

1 - OCA/Leg/Subject File: Procurement/Small Business

1 - RH Signer

1 - OCA Read

KH

II

100TH CONGRESS
1ST SESSION

S. 1559

To amend the Small Business Act to modify certain provisions relating to the small business set-aside program.

IN THE SENATE OF THE UNITED STATES

JULY 28 (legislative day, JUNE 23), 1987

Mr. DIXON (for himself, Mr. BUMPERS, and Mr. WEICKER) introduced the following bill; which was read twice and referred to the Committee on Small Business

A BILL

To amend the Small Business Act to modify certain provisions relating to the small business set-aside program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Small Busi-
5 ness Federal Contracting Restoration Act of 1987".

6 FAIR PROPORTION OF TOTAL FEDERAL CONTRACTING;

7 AWARDS AT "FAIR AND REASONABLE" PRICES

8 SEC. 2. Section 15(a) of the Small Business Act (15
9 U.S.C. 644(a)) is amended—

1 (1) in paragraph (3), by striking out "in each in-
2 dustry category" and inserting in lieu thereof "of the
3 total awards (utilizing the product and services codes
4 of the Federal Procurement Data System established
5 pursuant to section 6(d)(4) of the Office of Federal Pro-
6 curement Policy Act (41 U.S.C. 405(d)(4)))";

7 (2) by striking out the matter that begins "For
8 purposes of clause (3) of the first sentence of this sub-
9 section" up to the last sentence of the paragraph; and

10 (3) by striking out "which exceeds a fair market
11 price" in the last sentence of the paragraph and insert-
12 ing in lieu thereof "which exceeds a fair and reasona-
13 ble price".

14 **SMALL BUSINESS SMALL PURCHASE RESERVE EXCLUDED**
15 **FROM ANNUAL GOALS**

16 SEC. 3. Section 15(g) of the Small Business Act (15
17 U.S.C. 644(g)) is amended by inserting "having a value of
18 \$25,000 or more" after "procurement contracts of such
19 agency" in the first sentence.

20 **SUBCONTRACTING LIMITATIONS**

21 SEC. 4. (a) Section 15(o) of the Small Business Act (15
22 U.S.C. 644(o)) is amended by—

23 (1) striking out "unless the concern agrees that"
24 in paragraph (1) and inserting in lieu thereof "unless
25 the concern agrees to expend its best efforts so that";

3

1 (2) inserting a flush sentence at the end of para-
2 graph (1) as follows:

3 "Higher percentages of permissible subcontracting may
4 be authorized in an individual contract solicitation by
5 the contracting officer.";

6 (3) by striking out "in that industry category" in
7 paragraph (2) and inserting in lieu thereof "for that
8 size standard"; and

9 (4) by striking out all after the phrase "general
10 and specialty construction" in paragraph (3) and insert-
11 ing in lieu thereof a period.

12 (b) The amendments made by section 921(c) of the De-
13 fense Acquisition Improvement Act of 1986 (Public Law 99-
14 661) shall apply to solicitations issued on or after October 1,
15 1987.

16 REPEALER

17 SEC. 5. Section 15(p) of the Small Business Act (15
18 U.S.C. 644(p)) is repealed.

19 CONFORMING AMENDMENTS TO SECTION 8(a)

20 SEC. 6. Section 8(a)(14) (15 U.S.C. 637(a)(14)) of the
21 Small Business Act is amended—

22 (1) in subparagraph (A) by striking out "the con-
23 cern agrees that" and inserting in lieu thereof "the
24 concern agrees to expend its best efforts so that";

25 (2) in subparagraph (B), by striking out "in that
26 industry category" and all that follows in the subpara-

1 graph and inserting in lieu thereof "for that size stand-
2 ard."; and

3 (3) by striking out subparagraph (C) and inserting
4 in lieu thereof the following:

5 "(C) The Administration shall establish, through
6 public rulemaking, requirements similar to those estab-
7 lished in subparagraph (A) to be applicable to contracts
8 for general and specialty construction."

9 **EFFECTIVE DATE**

10 **SEC. 7.** The amendments made by this Act shall take
11 effect on October 1, 1987.

○